GOVERNMENT CONTINUES TO DO ITS JOB: A COMPARATIVE STUDY OF GOVERNANCE SHIFTS IN THE HIGHER EDUCATION SECTOR

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Governance in higher education has undergone certain substantial shifts in recent decades. In order to analyse this process from an empirical point of view, a specific understanding of governance, based on the role of the public power in question (state, government or another such power, depending on the context) has been assumed. Changes in systemic governance (and consequently also at the institutional level) are a product in particular of governments' responses to changes in their respective environments. This theoretical assumption, which in this particular study takes the form of a specific typology of governance modes, is employed to analyse those changes witnessed in higher education over the last 20 years. It does this by focusing on four specific national cases (England, Germany, Italy and The Netherlands). The empirical evidence shows that government continues to govern, and has not lost any of its policy-making power, but has simply changed the way it steers higher education.

INTRODUCTION

The majority of scholars involved in the analysis of higher education policy tend to be specialists in this particular policy; this means that research findings in the higher education field tend to remain detached from the broader theoretical debate in the political science and public policy sectors. This is rather unfortunate, and a wasted opportunity, since the intrinsic features of higher education policy (the historical survival of universities as institutions, the ongoing internal battle for resources, the intrinsic multilevel-structure of universities and higher education systems, governments’ task of coordinating structural needs) are of considerable interest to both political scientists and policy scholars. Moreover, we should not forget that certain fundamental concepts in institutional and policy analysis (such as loose-coupling, garbage-can decision making and organized anarchy) derive from the empirical analysis of the workings of schools (Weick 1976) and universities (Cohen et al. 1972; Cohen and March 1974; March and Olsen 1976).

In addition, the governance issue in higher education should be considered by scholars in various other policy fields, since the governance shift in education has been of a particularly complex, multifaceted nature: at both systemic and institutional levels, this shift continues its unclear, contradictory journey, with increased institutional autonomy emerging in some countries, compared with a reduction thereof in others; with a shift towards greater decentralization in some countries, while centralization persists in others. These complex, often contradictory governance shifts in higher education represent a process that could be of considerable interest were it included in the broader debate on ‘governance’ that has emerged over the last 15 years in the social sciences, and in particular in the political science and public policy sectors. In fact, many scholars have been fascinated by the State’s apparent loss of its traditional role in steering society and public policy, replaced by a more decentralized form of self-governance (Considine and Lewis 1999; Pierre 2000; Newman 2001; Kooiman 2003).
The governance debate is characterized by one rather important, unresolved question: what role do governments now actually play? On the one hand, there are those who assume that a new way of governing society – ‘new governance’ – has actually surpassed the old governance model, and represents ‘a change in the nature of the meaning of government’ (Bevir and Rhodes 2003, p. 4); on the other hand, there are those who genuinely doubt that ‘government’ – meaning a hierarchical framework of governance – is actually losing its central role in the policy-making process, to be replaced by a more decentralized, ‘self-governing’ variety of governance (Hill and Lynn 2005; Goetz 2008; Héritier and Lehmkuhl 2008). My position in this paper is clearly in the latter camp, and on this basis, I shall be illustrating a typology of governance, which I shall use to describe and analyse changes in national governance modes within higher education, from a comparative perspective. This study is organized as follows. The first section examines the traditional features of university governance inherited from the past, together with their shortcomings in the face of the new challenges higher education is required to deal with, and the emergent forms of governance currently being introduced. The second section offers a brief discussion of the theoretical problem of how to define ‘governance’ both in broad terms and within higher education: the aforementioned typology of governance modes is consequently constructed and discussed, and applied to the field of higher education. The third section looks at how the ‘governance issue’ has been handled by higher education policy-makers, and thus the shifts witnessed in four different countries (England, Germany, Italy and The Netherlands), by classifying these shifts on the basis of the proposed typology. The concluding section offers a number of observations regarding governance shifts in higher education, and looks at how the findings in this particular policy field may help re-address the governance debate.

THE STRUCTURAL PROBLEM OF GOVERNING UNIVERSITIES: PAST LEGACY AND RECENT REFORMS

The coordination of higher education systems is a complex, difficult issue to analyse. Firstly, because the units constituting the system, the universities, are *sui generis* institutions whose inherent nature - the fact they are federations or confederations of academic subjects and niches, ‘academic tribes’ as Tony Becher (1989) described them - has structural implications for their internal dynamics, as it creates endless problems regarding not only their institutional governance, but also, and above all, for the governance of the overall system. Universities bring together: groups of individuals, each doing a very different job; a considerable number of intertwined decision-making processes; a great variety of institutional outputs. There is a kind of inescapable organizational and functional complexity to universities, and in order to grasp this complexity, some scholars have proposed terms such as ‘multiversity’ (Kerr 1963) or ‘federal or conglomerate form of organization’ (Clark 1995). As a result of such features, universities have been considered to be a typical example of the loose-coupling organization, or a form of organized anarchy. Universities as loose-coupling institutions are characterized (Orton and Weick 1990) by their causal indeterminacy and their external and internal fragmentation.

From the systemic point of view, the governance problem consists precisely in getting universities to behave as ‘institutions’, since this is the necessary prerequisite for ensuring that the higher education system as a whole effectively responds to the needs of society and to public interest, as pursued by governments.
If we examine the development of universities in the Western world over the course of the last two centuries, we see that the governance problem at the systemic level has been resolved in a variety of different ways, according to the specific national context in question. Several attempts have been made to classify systemic governance within higher education, in order to take account of the structural differentiation underlying the idiosyncratic character of higher education. The best-known such attempt resulted in Clark’s triangle (1983), consisting in the interaction of three mechanisms of systemic coordination: the State, the market and the academic oligarchy. Clark proposed three ideal-types of higher educational systemic governance (namely the Continental European, American and British types). It should be noted here that the basic elements of the Continental European model are: systemic, strongly hierarchical coordination through State-centred policies; no institutional autonomy; the powerful, all-pervasive authority of the academic guilds; and faculties and schools constituting ‘confederations of chair-holders’. The British model, on the other hand, is characterized by: substantial institutional autonomy; collegial academic predominance; the fairly limited role of the state. Finally, the American model consists in: the strong procedural autonomy of universities, which is counter-balanced by substantial public monitoring of the quality of performance and results (for public universities); the important role of external stakeholders (which also means the significant role of public political institutions in the case of public universities); academics’ limited role in determining universities’ strategic objectives, which is counterbalanced, in accordance with the principle of ‘shared governance’, by their more substantial powers when it comes to traditional academic matters (staff recruitment, course content, and so on).

However, the historically rooted models of governance in Western countries, masterfully represented by Clark’s ideal-types, have revealed certain limitations when faced with modern-day challenges (Braun and Merrien 1999). Each inherited governance equilibrium has been obliged to change. In the past, universities were never subjected to such pressure to dramatically change their traditional governance practices and equilibria, dating back 100 years or more. In more recent times, society and government have started to take great interest in higher education since the now global, highly-competitive context requires that the quality of human capital be constantly improved, and new technological solutions be found, in order to support economic development (Enders and Fulton 2002; Geiger 2004). At the same time, it should be pointed out that the Welfare State’s structural financial crisis has profoundly affected higher education as well. Governments now have fewer resources to invest in higher education, and thus they need to improve the efficiency of their higher education systems.

One of the inevitable consequences of such circumstantial and financial pressure is structural pressure to change the inherited, historically rooted modes of governance. The consequent shift in governance modes initially dates from the 1980s, particularly in the UK and The Netherlands, and certain highly reputed scholars in the higher education policy field realized its potential implications for further generalized developments (Neave 1988; Kogan 1989; van Vught 1989; Neave and Van Vught 1991). We now have a clearer, more complete picture of what has really happened since the onset of this shift.

In fact, from the 1990s onwards, governments throughout the West began a course of systematic intervention in the higher education sector, albeit at different times and with differing degrees of energy (this was also the case in the USA’s public universities – see Leslie and Novak 2003; McLendon 2003a, b; El-Khawas 2005), by reforming the systemic mode of governance, and in Continental Europe, also by modifying the structure of internal governance. Generally speaking, the basic levers of reform can be identified as follows:
institutional autonomy and internal institutional governance; funding mechanisms; the quality assessment of research and teaching (Gornitzka et al. 2005; Cheps 2006; Lazzaretti and Tavoletti 2006; Maassen and Olsen 2007; Trakman 2008). The basic features of past governance modes in higher education have been re-designed by recent governments, and in doing so they have also changed their role in the steering of the system (Amaral et al. 2002; Huisman 2009; Paradeise et al. 2009).

What our general experience of higher education teaches us is that in order to understand the intrinsic logic of governance shifts, we need to focus on the changing role of governments. In order to analyse how this shift has come about, from an empirical point of view using four specific national cases, we need to gain a better understanding of the possible roles governments play in systemic governance modes within higher education.

GOVERNMENT AS THE PILLAR OF GOVERNANCE IN HIGHER EDUCATION: A TYPOLOGY

The theoretical assumption which I believe we need to focus on here is that government and governance are not the two poles of a continuum of various possible ways of governing and coordinating the policy-making process, but are two different concepts centred upon substantially different things. Governance refers to the possible ways in which policy actors combine to solve collective problems and thus to the ways in which the policy-making process is steered. Government, on the other hand, is one of the possible actors in systemic governance, and its role may vary considerably, depending on the context. Government is a variable rather than a constant (Pierre and Peters 2000). The role of government varies according to the structure of governance. This allows for different modes of systemic governance, in which government may play a variety of different roles. So government is a core, albeit changeable, element of governance, rather than something in opposition to, or outside of, governance. Thus, as Börzel suggested (2006), it is more fruitful – from both the theoretical and the empirical points of view – if we assume that governance is simply a broader concept than government, in that the latter defines the actions taken by those institutional actors officially in charge of the decision-making process, whereas the former focuses on the ‘process’ and the ‘structure’ by which decisions are formulated and implemented as a result of the interaction of all those involved (see also Benz 2004; Klijn 2008).

From this perspective, ‘government’ is thus only one component of any governance mode, even if it is usually one of the most important such components - and the empirical evidence, at least in higher education, would suggest that government has the latent power to ‘verticalize’ the process, thus bringing hierarchy back into the equation. So changes in governance modes involve alterations to the role of governments and non-governmental actors in the policy-making process, and to those policy instruments used to pursue policy goals.

Governments (or more generally, public institutions) can be assumed to have prime responsibility for governing society, but they may choose to modify the way they perform this role if they need to be more effective, or they wish to avoid paying the excessive political costs thereof. There is no one way of governing of course, and the direct involvement of public institutions is not strictly necessary. Governments can, in fact, choose to steer from a distance (Kickert 1997).

Higher education policy fits into this picture perfectly since ‘government’ has the inescapable task of defining what governance is, or can be. So while government’s role in higher education is unavoidable (whereas this may perhaps not be the case in other policy fields), and government is in charge of designing the existing sectorial governance
modes, government may decide to model systemic governance modes through its choice of the degree of freedom to be afforded to other policy actors with regard to the goals to be pursued, and the means with which they are to be achieved.

For example, within the field of higher education, government may decide that an increased rate of participation in higher education is a systemic goal, and then choose which means are to be adopted (strict regulation or financial incentives) to achieve that goal; moreover, governments are always in charge of deciding whether institutional differentiation is to be systemically pursued, and if so how to go about this (through regulation or by means of competitive mechanisms). Governments design the systemic modes for the governance of higher education through a combination of strategic goals and means, and then establish the nature of those policy instruments to be adopted for the pursuit of said goals. The dichotomization of the role of government in establishing which goals are to be pursued and the means to be adopted, enables us to formulate a typology of systemic governance modes within higher education, the spatial representation of which is given in figure 1.

Hierarchical governance and procedural governance represent the two traditional governance modes in which the State plays a pivotal commanding and controlling role. In the case of hierarchical governance, the command and control strategy covers both goals

![Figure 1: Types of systemic governance modes in Higher Education Policy](https://example.com/figure1.png)
and means, through those detailed directives that establish precisely which goals are to be pursued, and the means to be employed to achieve this. Government is a hegemonic actor, and as such it directly coordinates all aspects of policy-making. The hierarchical governance of higher education is typified by those situations in which the State imposes its goals and methods on the universities (which means that the universities have very limited procedural or substantial autonomy, assigned funding is completely targeted by the State, and there is little or no quality assessment). This is the case of earmarked funding (for technological research, for example), or that of a set number of students allowed to enrol for a specific subject.

In the second of the aforesaid governance modes, the one defined as procedural, the actors involved (regardless of whether they are public or private) are free to choose their own goals, but in order to pursue those goals they are obliged to abide by the procedural regulations issued, controlled, and enforced by public institutions. The prevailing actor in such cases is central bureaucracy, and very often this gives rise to privileged relationships with the most important sectorial interest groups (which in the field of higher education are the academic guilds and the academic subjects themselves). In higher education, procedural governance exists when the State imposes rigid procedural rules on universities, but leaves them substantial autonomy (that is, they can do what they want, but in doing so they have to follow those procedural rules established by the centre of the system). For example: in many continental European countries, the State obliges universities to follow rules governing academic staff recruitment and promotion, student tuition, curricula, and so on. The procedural quadrant perfectly fits what Burton Clark (1983) has defined as the Continental model of systemic university governance. It has to be said here that the procedural and hierarchical modes may overlap. In fact, it is clear that the hierarchical mode also absorbs the policy instruments of the procedural mode, although there is a substantial difference in the working logic of these two forms of direct government intervention: the procedural mode is characterized by room for substantial decisions to be made at the bottom-up level. In fact, the procedural mode gives the academic oligarchies of universities freedom to choose the contents of academic business. This freedom of choice is considerably limited under the hierarchical mode for the simple fact that this mode imposes substantial constraints upon the nature of decisions. Furthermore, in both types of governance mode, the direct role of government profoundly constrains universities’ capacity to act as corporate bodies.

The steering-at-the-distance and self-governance modes represent the two models in which governmental influence is of an indirect nature. In higher education, these modes are generally characterized by considerable institutional autonomy and by the systemic assessment and evaluation of universities’ performance. However, there are a number of substantial differences between these two types.

In the steering-at-the-distance mode, government is strongly committed to the pursuit of collective targets, but nevertheless leaves policy actors enough free to choose the means by which to reach those targets. In doing so, however, government adopts certain specific policy strategies designed to encourage policy actors to comply with governmental objectives (for example, increasing student numbers or investing in applied research). In this mode of systemic governance, government plays no direct role, and policy coordination is guaranteed by a complex set of regulations and, very often, by the presence of a public institution (agency or authority) acting as broker. Government tries to influence institutional behaviour not by issuing direct commands, but by applying soft rules, providing financial incentives and evaluating performance. In such cases, government may directly intervene in order to re-design the internal institutional government of
public higher education institutions, depending on the nature of national trajectories and traditions. The steering-at-a-distance mode assumes that both sides of systemic governance – the government and the individual universities – act in a responsible and accountable way. Governments are supposed to make clear their systemic goals and the nature of incentives and constraints which the universities are to take into consideration when planning their actions. Universities are supposed to establish their own institutional strategy in a rational way, that is, by trying to identify the best point of equilibrium between governmental input, their own internal resources, and the socio-economic context in which they operate.

In the self-governance mode, on the other hand, government chooses to leave the policy arena almost completely free. It is assumed that the fundamental criterion of sectorial coordination is based on the institutionalization of relations between participants. However, it is clear that government reserves the right to intervene when it deems this to be necessary, thus changing the governance mode and policy tools. The self-governance model in higher education is, to put it simply, the situation in which institutions are left free to choose what they want to do, and how to do it. Contrary to what one may imagine, this is not a marginal model, since the British and American forms of systemic governance, as proposed by Clark, fit (or rather, fitted) perfectly within this quadrant.

It is clear that according to the logic of the aforementioned typology, while governmental influence is exerted directly in the two models above the horizontal axis, in the two governance modes located below this axis, such influence is not absent but is of an indirect (steering-at-a-distance model) or latent (self-governing model) variety. Thus the latter two models, although shaped differently, both fall under the ‘shadow of hierarchy’.

This four-fold spatial representation singles out and clarifies the potential nature and composition of those governance modes to be found in real higher education policy-making. It also shows how the dichotomy between government and governance is misleading, and how so-called ‘governance without government’ (Rhodes 1996) is not really possible, at least in higher education, due to the constant presence of the instrumental, conscious will of governments: while they may decide whether (and to what degree) to keep away from, or to act directly within, a given policy field, if they decide to steer from a distance, or to remain temporarily ‘hidden’ from view, they do steer nonetheless.

EMPIRICAL TRENDS: GOVERNANCE SHIFTS IN ENGLAND, GERMANY, ITALY AND THE NETHERLANDS

Governance shifts everywhere
In order to illustrate the utility of the above-mentioned typology in describing governance shifts in higher education, I am now going to present four national cases, each characterized by a different tradition and inherited system within the field of higher education. The four cases in question are England, Germany, Italy and The Netherlands. The first one was chosen because it characterizes the English-speaking nations’ tradition in the field of higher education (which in the above-mentioned typology finds itself situated within the self-governance quadrant), while the other three belong to the Continental European model of higher education (and thus may be situated in the procedural quadrant). Furthermore, England (together with all English-speaking countries) has been traditionally characterized by the considerable institutional autonomy of its universities, while the other three countries have been characterized by the low level of institutional autonomy of their universities. This has recently changed precisely because their governments have
decided to change the prevailing systemic governance mode. So, from this point of view, the comparison is one between ‘sufficiently’ dissimilar cases in relation to the previous governance mode: England here represents the English-speaking tradition, based on the ‘hidden’ role of the state, while Germany, Italy and The Netherlands represent three specific national trajectories of the traditional ‘command and control’ mode of governance. Finally, each case can be seen to constitute different paths towards, and the different timing of, the reform of their higher education governance modes. So, the comparative analysis of our four chosen cases enables us to provide an improved, broader description, and a better understanding, of the scope, direction and depth of governance shifts in higher education.

In fact, all four countries have undergone significant shifts in higher education governance, shifts which were clearly pursued by their respective governments, regardless of any partisanship arrangements. In order to provide evidence of the quality and characteristics of the said shifts, I shall focus on the changes made to three specific features of higher education governance which specialized studies have deemed to be the most important from the comparative perspective, namely: institutional autonomy and governance; funding mechanisms; the assessment of research and teaching.

**England: the managed system**

A radical shift in England’s higher education system began under the Thatcher government during the 1980s. Up until then, universities had basically been semi-independent institutions. Their formal status was that of chartered institutions, and their semi-independent status meant that universities were almost completely free to decide their own institutional goals and means (Halsey 1992; Shattock 1994), while government had taken little interest in their affairs, despite being the principal provider of university funding. Self-governance, at both institutional and systemic levels, was a leading feature of British universities prior to reform. Then, during the 1980s, the nature of the system radically changed through implementation of a series of reforms designed to ensure a more competitive system, the centralized coordination of higher education, strong institutional management, and quality assessment. The shift was so radical that is has been defined as a kind of ‘semi-nationalization’ of the policy sector (Dickinson 2001). A long, continuous process characterized by a series of official reports (Dearing 1997; Lambert 2003) and certain fundamental changes in existing legislation (1988, 1992, 2004), has led to the transformation of the system’s systemic functioning, and thus of its governance modes. The importance of these changes is clear to see if we examine the shifts in the three areas I have chosen to focus on.

As regards institutional autonomy and internal governance, it should be pointed out that even if universities have preserved their formal status as self-governing bodies maintained (with the exception of the former polytechnics, whose institutional governance was established by a law passed in 1992), since the early 1980s there has been increasing governmental pressure on higher education institutions, which has led to the substantial verticalization of the internal decision-making process, and as consequence, a weakening of the collegial power of the self-governing academic organs. Universities have been forced to focus their attention on those priorities set by central government through the assessment of teaching and research, together with substantial performance-based financial incentives. This process has led to a considerably competitive environment, and the institutional differentiation of universities’ objectives and functions. Furthermore, government has pushed for the development of institutional leadership and management (DfES 2003), and UK universities have begun, in fact, to recruit senior international managerial
academics (Vice-Chancellors and Pro Vice-Chancellors) from the United States, Australia, New Zealand, South Africa, China and so on (Kim 2008). This governmental pressure has encouraged universities to strengthen their ‘steering core’, through the internal verticalization of power (Middlehurst 2004) and a process of substantial reorganization (Taylor 2006). As a result, internal governance has undergone significant change through the reinforcement of the managerial mode of governance, and the shift from a private to a state-driven approach (Shattock 2008).

With regard to the funding system, there has been a significant shift from the traditional buffer organization (the University Grants Committee), which used to distribute the money on the basis of historical expense and institutional reputation, to a national agency (Higher Education Funding Council) run by government. The public funding system is more complex and competitive than it was in the past (Leišytė 2007). English universities now receive about 40 per cent of their funding from the Higher Education Funding Council for England (HEFCE), in the form of block grants. Around two-thirds of funding is allocated for teaching, while around 20 per cent is earmarked for research. Funding for teaching is based on institutionally corrected formulae and on a specific Financial Memorandum. Research funding is allocated through the Research Assessment Exercise (renamed the Research Excellence Framework in 2010), which is a highly competitive procedure: for example, in the 2008 Exercise, nine universities alone received one half of total funding. Competition is also very strong for the research funding allocated by the seven Research Councils, which are in turn financed by the Department of Trade and Industry. Furthermore, while the introduction of top-up fees in 1999 led to greater institutional funding, it also exacerbated existing competition for that funding. In 2010, substantial public spending cuts had been decided by government (of around 30 per cent for the following three years), while at the same time the top-up fee has been doubled (from £3,000 to nearly £6,000, and with the possibility of this being extended to £9,000).

The assessment of the quality of teaching and research has long been a fundamental component of the English higher education system (Harvey 2005). Since 1990, quality assurance has been buttressed by regular institutional audits undertaken by the Academic Audit Unit established by the Committee of Vice-Chancellors and Principals (CVCP). In 1992, the ‘new universities’ joined this system, which was now entrusted to the Higher Education Quality Council (HEQC). Quality assessment of individual subject matters and departments, moreover, was closely connected to the release of funding by the Quality Assessment Division (QAD) of the funding councils. In 1997, the HEQC and the QAD merged to form the Quality Assurance Agency (QAA). Quality assessment became the topic of a complex, heated debate during Blair’s first term in office (1997–2001), particularly as it was widely felt that the new methods adopted by the QAA were excessively intrusive and tended to restrict institutional autonomy. Associations of higher education institutions, together with staff and students associations, complained about the situation, and duly obtained a revision of the methods employed, that until then had consisted more in institutional audits than in subject assessments. Furthermore, the cornerstone of governmental strategy regarding this instrument of governance, the setting up of the Higher Education Funding Council for England, which is also responsible for allocating a substantial amount of public funding pursuant to its own periodical assessments.

Thus the evaluation of teaching and, above all, of research has led to fundamental change in the institutional behaviour of English old-universities, by among other things, obliging them to change the rules of internal governance so as to improve their response to this systemic pressure.
Nowadays, higher education in England is strongly managed and market driven (Ferlie and Andresani 2009), and from an institutional point of view, universities have less freedom than they had in the past to choose their own institutional goals. As Shattock (2008, p. 183) has pointed out: ‘once regarded as an example of British exceptionalism within Europe because of its independence from the state, is now subject not just to ‘State steering’ but to state micro-management on a scale comparable to other European systems. The institutions themselves may still retain legal autonomy and a freedom of decision-making that is qualitatively different from the experience of institutional autonomy in most European countries, but the individual policy choices are heavily constrained by policies initiated in the heart of Whitehall’.

Germany: moderate competition
Germany is a latecomer when it comes to governance shifts in higher education. The German system, just like the Italian one as we shall see, has been for a long time the traditional procedural system with the leading role played by ministerial bureaucracy (especially of the country’s Länder, since the Federal Constitution assigns the majority of power in higher education to the Länder), and by Germany’s academic guilds (at both national and local levels) (Schimank and Lange 2009). The autonomy of individual universities was very weak, and they were governed as a confederation of chair-holders (Schimank 2005). Systemic governance was characterized, therefore, by a series of detailed procedural rules that the universities had to follow, and a funding system based on direct item allocation (universities had no say in the way public funding was to be spent). At the same time, however, German universities were free to choose their own research and teaching targets (Dobbins and Knill 2009). The transformation of governance mode started in the late 1990s, thanks to a new federal law on higher education whereby national government gave up any interference in the institutional governance of the country’s universities, which was now the exclusive preserve of the Länder, and as a result of implementation of the Bologna process. As a result of the 2006 federal reform, the federal government’s power to pass framework legislation regarding all university matters was abolished, with the exception of its control over university admissions and academic degrees. Without federal framework legislation, the German university system now consists of 16 independent sub-national systems, albeit in constant communication with one another.

Hence the difficulty of summarizing the evolution of governance shifts in Germany, due to the federal nature of the system, whereby each region (Land) pursues its own particular strategy in order to improve its university system. Nevertheless, certain common trends may be identified here.

In terms of institutional autonomy/internal governance, what emerges is that since the end of the 1990s, all of Germany’s Länder have undertaken steps to change both the internal governance structure and the level of institutional autonomy of their respective universities. As far as institutional governance is concerned, all Länder have passed a series of specific regional laws changing the existing arrangements. In five of the country’s Länder, universities can now choose their own legal status, and decide to because public foundations, for example (Kehm and Lansendorf 2006). In almost all universities, the rector/president is now appointed by the Board and/or the Academic Senate after a selection procedure performed by an ad hoc committee (this appointment is still made by the Minister of Education of the Land). The Regional Laws in 14 out of Germany’s 16 Länder, require that at least one half of the member of the Board should come from
outside the university (and in many cases the external members, and in some Länder all the members of the Board, are appointed by the Minister of Education). Nevertheless, it should be pointed out that in those Länder where the external members of the said Boards are in the majority, these Boards have fewer powers than those where the external members are in the minority (Lange 2009). At the same time, however, at the intermediate institutional level the consensual democratic tradition is still very much alive: Deans continue to be elected, and the role of the individual chair-holder is still an important one. This is because the general view is that the style of internal governance remains important, and thus the effects of reform on internal policy-making are either too slow to emerge, or are not sufficiently evident (Bleiklie and Lange 2010).

Furthermore, all Länder have granted greater autonomy to their universities regarding the recruitment of teaching staff, responsibility for the contents of degree courses (thanks to the establishment of an accreditation system, as we shall see), and internal organization and management (Pritchard 2006; Orr and Jaeger 2009).

With regard to the funding system, traditional input-based funding has been modified to a certain extent. The funding of universities is part of each Land’s annual education ministry budget. Traditional line-item budgets have been partially re-designed through the introduction of performance-based allocations, although the redistributive effect of this measure has proven extremely limited (Orr et al. 2007). Many Länder are experimenting with ‘target agreements’ (Koning 2007) whereby, in theory at least, universities are obliged to pursue certain specific research and/or teaching targets in order to receive a certain sum of money (although the effectiveness of this kind of instrument has yet to be analysed empirically). What emerges, however, is that the Länder are trying to introduce a more targeted, competitive way of funding their universities, while at the same time taking care not to create any excessive differentiation in their regional system. However, a counterbalancing strategy was introduced in 2005 (the so called Excellence Initiative, EI), whereby Federal Government and the Länder agreed to invest an additional 1.9 billion euro, up until 2011 (75 per cent provided by federal government, 25 per cent by regional governments), with which to reward the best research institutes, the best research groups, and the best universities. This is one way of increasing competition, and also of actually evaluating the quality of German universities’ research (in 2009, the EI was extended until 2017 by prime minister Merkel). Furthermore, it should be said that the system has become internally more competitive (for both students and funding), and that students’ fees have now been introduced.

With regard to the assessment of research and teaching, the evaluation of research was for a long time unheard of in Germany, indeed this was the case right up until the mid-1990s. At present, all Länder have adopted their own Higher Education Acts, and made evaluation the task of higher education institutions. The law provides for three steps in this evaluation process: self-evaluation, external peer review and a follow up. These procedures are repeated every five to eight years. There are regional agencies providing for this kind of institutional evaluation, but there are no performance-linked financial incentives as yet. The procedure was designed as a kind of learning process (Schade 2004). Quality assurance regarding the content of degree courses was introduced in the first few years of the new millennium. Up until then, specific regulations meant that the State was the only guarantor of quality; then, following a complex process of formulation, the new accreditation systems were put in place (based on the presence of a National Council of Accreditation in charge of setting the standards for accreditation to be followed by
independent agencies (Grendel and Rosenbusch 2010). However, approval of university course programmes remains the preserve of regional government ministries.

Thus the shifts in the German system have been characterized by a clear move away from the previous procedural mode, towards a new system in which universities are granted increased, albeit not excessive, institutional autonomy, and where government tries to steer the system from a distance through financial incentives and negotiated contracts, although it has preserved certain attitudes linked to the pre-existing procedural tradition. The power of the State and of governments remains strong within Germany’s higher education system, although the expression of this power has been modified in recent years (Bleiklie and Lange 2010), meaning: fewer regulations but greater influence over systemic goals; and greater institutional autonomy, but also increased competition for funding.

Italy: the contingent shift
Governance of Italy’s higher education system was traditionally based upon a specific variation of the aforementioned Continental model. The procedural governance mode at the systemic level (based on strong centralization and national hyper-regulation) was characterized by the prevalence of the academic guilds and faculties. Traditional institutional and systemic governance was completely dominated by the nation’s academics, and as such, the Italian case constituted a specific variation on the classical oligarchic model, whereby the balance of powers between the academic guilds and the State bureaucracy was of an asymmetric nature, with the former exercising much greater influence than the latter (Clark 1983). Academic groups and guilds constituted the real coordinating mechanism at both the institutional level (where the decisions of individual universities were simply the sum of the preferences of the most powerful academic groups and subject-areas within the said institutions), and at the systemic level: systemic governance, in fact, was based on informal, albeit constant, relations between the most powerful local chair-holders (or groups thereof) and state bureaucracy. Although in theory this constituted a centralized system, key decisions were in fact taken subject to pressure from the most powerful academic groups. Centralized control was of a purely formal, bureaucratic nature: during the phase of implementation, all and everything was negotiable between the system’s centre and its periphery. Universities as autonomous institutions simply did not exist. Universities were merely arenas where individuals and groups of academics managed internal power on the basis of almost confederal or federal relationships (Capano 2008a). Institutional autonomy was thus completely absent from this system.

Despite the fact that in 1989, a State law recognized principle of institutional autonomy for the first time, and in 1994 the mechanism of public funding was radically reformed (with a move to lump-sum budgets), the historically-rooted features of systemic and institutional governance – that is, a mix of central-bureaucratic and academics-driven politics – nevertheless substantially survived at both systemic and institutional levels (Capano 2008b). In practice, ministerial guidelines on programme design and organizational/administrative procedures, together with strong academic lobbies controlling the hiring and promotion of academic staff, considerably reduced any room for the independent decision-making if individual universities. So the governance issue remains the real structural problem of Italy’s higher education system. Even though Italian governments have tried to grant individual institutions greater powers, the results of reform remain rather unsatisfactory. On the one hand, governments have proven incapable of duly steering the system at a distance. they have often failed to fulfil their own commitments,
and to penalize universities for performing poorly, as they are required to do by national plans and regulations. On the other hand, the universities’ system of internal governance, based on traditional democratic-corporative principles, is inherently unlikely to produce responsible decisions and overcome the simple aggregation of internal interests and preferences (Capano 2008a, b; Reale and Poti 2009; Rebora and Turri 2009). An attempt has been to tackle this problem by the new law on university reform approved at the end of 2010, but the legislative provisions contained therein are extremely feeble, and they are very unlikely to make any noticeable change to the inherited form of institutional governance.

The funding system has been characterized by central government’s considerable difficulty in maintaining its promises and implementing its declared strategy. In fact, the introduction of the lump sum budget in 1994 included a provision whereby a portion of public funds was to be allocated following the evaluation of Italian universities’ performance. This provision was abandoned in 2003 because it was clear that the actual implementation of performance-based funding would have been highly detrimental to at least two-thirds of the nation’s universities, especially those located in Southern Italy (because their performance tends to lower than average). An attempt to reintroduce a form of funding based on performance was made in 2009, when it was decided to allocate 7 per cent of total public funding using a formula that evaluated universities’ performance in the teaching and research fields, with the proviso that this percentage would subsequently rise to 20 per cent within the space of five years (although in 2010 the percentage was still 7 per cent). In other words, Italy’s governments have attempted to introduce real performance models for the allocation of funding, but they have not yet managed to implement such models in practice.

Evaluation and assessment were developed in 1994, with the creation of Internal Evaluation Units, and in 1996, with the establishment of the National Committee for the Evaluation of Universities (CNVSU). Initially, both organizations were conceived as advisory bodies, of individual universities and of the Ministry of Higher Education, respectively (Capano 2003, 2010; Rebora and Turri 2011). These organizations have since been assigned more substantial powers, and they now play the role of governmental watchdog bodies supervising institutional behaviour. The National Committee for the Evaluation of Universities is now in charge of the accreditation of degree programmes. Furthermore, a new steering committee for the evaluation of research – the Comitato di Indirizzo per la Valutazione della Ricerca (CIVR) – consisting of seven government-appointed members, was provided for by law in 1998, and actually set up in 1999. This Committee developed the first national university research assessment framework, based on scientific research carried out during the period 2001–2003. The results were presented at the beginning of 2006, and have been used by government when allocating public funds (Minelli et al. 2008). The second phase of research evaluation is due to be launched in 2010. Finally, a new national agency was instituted by law in 2007, although it will only come into operation at the end of 2010. This new organization is due to take over all of the functions previously assigned to the two existing national committees (the CNVSU and CIVR), and thus it shall be responsible for the evaluation of both research and teaching, and shall act as the accreditation agency for all university degrees.

This brief sketch of the Italian case thus shows that despite the many changes pursued by government in all three areas, government action has failed to match the announced goals and plans. In fact, the new ‘steering-at-a-distance’ strategy seems incapable of ridding governance of the conventional ex-ante evaluation, or of the continuous adoption
of procedural constraints on universities behaviour with regard to the teaching function. National research assessments have not been institutionalized yet. So in the Italian case, the reform of governmental modes in higher education really seems to have taken the form of a kind of ‘primordial broth’ from which to fish out something merely on the basis of contingent political needs and the fashion of the day. Furthermore, the new law on the university system, approved at the end of 2010, which provides for certain changes to institutional governance, to systemic evaluation, and to the mechanisms of public funding, seems unlikely to resolve the above-mentioned problems, thus reconfirming the Italian system’s inherent incapacity to adopt any coherent policy strategy.

**The Netherlands: radical change**

Dutch university governance has been another example of the Continental model for some considerable time now, and so falls within the procedural category in my typology. The 1970 reform of higher education, following a common trend in Continental Europe resulting from the pressure of massification, focused on the questions of democratization and functional representation, and the period from 1970 to the mid-1990s saw institutional governance based on the traditional corporative-democratic system (distributive and consensual internal policy-making). Such institutional characteristics, however, were clearly ineffective since the Dutch government (the forerunner in Continental Europe) decided to modify its position on the steering of the higher education system during the early 1980s (Ministerie van Onderwijs en Wetenschappen 1985), when it adopted a policy designed to gradually replace the previous centralized arrangement with an autonomistic policy designed to grant universities increased decisional leeway (Goedegebuure and Westerheijden 1991; Van Vught 1991). Basically, what happened in The Netherlands was that the government’s commitment to improving the performance of the higher education system, by granting universities a greater degree of independence together with financial incentives, was met by opposition from the country’s universities. Institutional autonomy was too demanding for universities that were used to the traditional consensual approach to internal governance. The result was that the impact of institutional autonomy was not as great as expected, because the traditional approach to internal policy-making, based on consensual and distributive policy, continued to prevail (De Boer and Huisman 1999). However, the Dutch government subsequently began work towards radically modifying this strategic constraint. Consequently, in 1997, following two years of public debate, the internal governance system was changed by law. The philosophy behind the reform was that of strengthening the executive’s position in universities and of weakening the role of the academic councils, according to the logic of the verticalization of responsibility for decision making: university and faculty councils simply became advisory bodies, while a new supervisory board (appointed by the government) was set up (and was also responsible for appointing the rector). All those holding important institutional positions are now appointed (whereas in the past they were elected by their fellow colleagues). The old corporative-democratic mode was replaced by a hierarchical, managerial one (de Boer 2009). Thanks to this reform, government has tried to force universities to behave and decide as responsible corporate actors – and thus to become better at acting in a competitive, more accountable way (de Boer et al. 2007) – which is a necessary condition for the pursuit of the new governmental strategy based on steering from a distance.

The allocation of public funding began to be reformed in 1978, when an initial reform was introduced (allocating resources as a lump-sum, which the universities, in turn, would allocate internally). This formula was changed in 1983, and again in 1993 (Koelman
and in 2003. At present, public funding is allocated on the basis of a complex, performance-based model which attributes 60 per cent of funding on the basis of teaching, and 40 per cent on the basis of research performance (de Weert and Boezerooy 2007). The system of funding allocation is based on a balance between historical funding, university size, and incentives designed to improve teaching and research performance.

The assessment of research and teaching is now fairly advanced in The Netherlands, which has been a forerunner within Europe on this particular issue and others. This is due to the fact that the aforesaid autonomistic policy (closely linked with changes in the allocation of public funding) was introduced in the early 1980s. In 1985 came the introduction of a quality assurance policy (Ministerie van Onderwijs en Wetenschappen 1985), and this has been institutionalized as a self-regulating system of peer-reviewed research and teaching assessment. Until 2003, general coordinating activity was managed by the national association of university rectors (Westerheijden 1997). In the last 10 years, the system has been re-designed, and the quality assurance of university courses has been improved by the establishment of a national independent agency (NVAO). This organization, which was created in 2002, has also been empowered to evaluate the Dutch-speaking universities in Belgium since 2003. The NVAO coordinates mandatory accreditation processes for universities that wish to offer Bachelor and Master’s degrees. Research is assessed every six years by the universities themselves, which appoint an international peer-review committee that is entrusted with the evaluation process (until 2003, the National Association of Rectors was in charge of research evaluation). Evaluation is based upon a Standard Evaluation Protocol, and all evaluation activities are monitored by a committee appointed jointly by Holland’s National Association of Rectors, National Research Council (NWO) and National Academy of Science.

Thus the shifts in Dutch policy are extremely interesting because the process in question, albeit incremental, has in the last 25 years achieved a number of radical changes in the country’s higher education governance arrangements. Dutch government can now really steer at a distance, and compel universities to achieve systemic goals, while at the same time Holland’s universities – which enjoy considerable freedom with regard to procedural matters, are now able to act as corporate actors (De Boer et al. 2007). One very important point here is that government had to intervene in a radical manner with regard to the institutional governance underlying the internal government of universities, in order to achieve any real change at the level of systemic governance.

A comparative assessment: governance mixes, albeit government-driven
What clearly emerges from our concise comparison of the four national cases, is that significant changes in the nature of higher education governance are currently underway. These changes are the result of governments’ attempts to make higher education more responsive to a nation’s socio-economic needs, and more cost-efficient in a situation of structural reductions in public funding. The question is, ‘how’ is governance changing? The empirical evidence that emerges from our comparison clearly points to an overall a shift (albeit of varying entity) from the procedural and self-governance modes towards those quadrants situated to the right of the abovementioned typology, and in particular towards the quadrant occupied by the steering-at-a-distance mode of governance.

The case of England reveals a dramatic shift from a substantially self-governing systemic mode towards a situation where the State has decided to exercise its own power by imposing specific goals (that is, by increasing the number of students enrolled, by focusing on socio-economic requirements) and by employing new policy instruments.
(public funding partially linked to the quality of individual universities’ research, the in-depth assessment of teaching). So, British governments have suddenly decided to ‘govern’ higher education policy - after a long period of ‘neutrality’ - by legislating for the complete redesign of the functioning of the system. The shift is clear: while English universities enjoyed such a degree of autonomy that they appeared to be substantially independent from all governmental influence, they are now obliged to exercise their institutional autonomy in a context that is clearly guided, albeit indirectly, by governmental decisions regarding those systemic and collective goals to be pursued. This new strategy seems to be very effective, thanks to the flexibility of universities that have reacted in a positive way to the new governmental strategy, as a result, among other things, of responsible, effective internal institutional governance.

The German case indicates a very slow process whereby the country has been gradually moving away from the traditional system. Humboldt’s homeland is undergoing a very slow process of change, with governments (at both national and regional levels) trying to increase the accountability of their universities. This process is characterized by a more hierarchic governance mode in which, however, the lengthy procedural tradition is still very much alive, and so new methods, such as negotiated agreements, now exist side-by-side with the traditional approach to procedural regulation. Germany is now moving towards a form of steering-at-a-distance governance, although at present it appears to enjoy a hybrid form of governance characterized by various features (that is, policy tools) from procedural, hierarchical and steering-at-a-distance modes all mixed together. At the same time, the potential effectiveness of the new mode of governance is influenced by the traditional internal workings of institutional coordination where the old consensual style is still very much alive.

Italy is in a rather similar situation to Germany: its governance is also of the hybrid variety, although it is characterized by a greater number of the old procedural traits, and government’s apparent inability to implement the proposed steering-at-a-distance strategy – together with the deeply-rooted corporative-democratic style that still prevails in universities’ internal governance – is making the process of change both confused that much slower.

The Dutch case reveals a clearer shift towards the real, effective implementation of the supervisory model. Procedural policy tools at the systemic level are almost a thing of the past. Systemic governance based on evaluation, competition and accountability has now been fully institutionalized. Dutch universities, thanks to the radical change imposed upon their internal governance, can now act as corporate actors, and so be very good at interpreting their roles and objectives in relation to governmental inputs.

So, there is clear evidence of the increasing role of governments in influencing universities’ goals and purposes, and consequently we need to make some general observations regarding this change.

Firstly, it is interesting to observe how the procedural mode (the traditional mode of the controlling State) has been shelved in all three continental European countries. This is rather important, since it provides proof of the profound crisis of the traditional, historically inherited approach to university governance in continental Europe: this was the governance mode whereby academics guilds were more powerful than the university institutions themselves. The weakening of the procedural mode implies greater institutional autonomy, but also increased governmental ‘interest’ in, and ‘commitment’ to, higher education. This is true also of England, where governments had previously adopted a non-interference approach to the country’s whereby the latter were left free
to govern themselves: now, however, they do in fact interfere, and universities are less independent that they were in the past.

Secondly, the main shift is clearly towards the steering-at-a-distance mode of governance (albeit via different trajectories and at differing speeds), which would suggest that the prevailing governance mode is characterized by government mainly playing a steering role, albeit from a distance. This trend is obviously influenced by the specific nature of national contexts and policy legacies, since this is a process whereby each specific governance mode is redesigned and re-moulded by re-mixing the components of the previous existing systemic mode. It should be said that the two countries that have moved closer to the steering-at-a-the distance mode are England and The Netherlands, that is, countries where, for a variety of different reasons, two key element of the steering-at-a-distance mode are very effective: the ability of governments to design and formulate clear policy goals and systemic incentives, and the capability of individual universities to really behave as corporate actors, thanks to the workings of their internal governing arrangement. In Italy (where internal governance remains largely unchanged, also under the provisions of the new reform approved at the end of 2010) and Germany (where the reforms introduced are taking effect very slowly due to the persistence of a consensual style at the intermediate level), the power of academic guilds remains substantial, and thus distributive decision making is still very much alive. However, Germany seems more capable than Italy of implementing the steering-at-a-distance mode, as testified by the Excellence Initiative which introduced clear incentives towards institutional differentiation, while in the Italian case no progress has been made in this direction.

What thus emerges here is that the steering-at-a-distance mode of governance works in the presence of strong, managerial, verticalized governance within universities, capable of dealing with the inputs received from a coherent governmental plan; at the same time, hierarchical governance is the chosen mode where the traditional forms of academic governance that persist at the institutional level, need to be counterbalanced by central government adopting a more procedural approach.

Finally, one convergent trend seems to be clearly emerging. Despite their different cultural traditions and very different histories, all the countries in question seem to have adopted their policy strategies by abandoning, to a greater or lesser degree, those governance modes inherited from the past. This process is rather interesting, and merits more in-depth empirical analysis. What is clear though, is that when subjected to similar external pressures, governments begin to move by adopting the same policy principles. In other words, there appears to be a common governance template (the steering-at-a-distance variety) which each country has tried to implement following, however, different national trajectories in which the components of old governance modes do not disappear, but persist in new governance mixes. So although the direction of convergence is similar, the ‘national translation’ of the common policy template is based on domestic factors which strongly affect the calibration of the policy tools of the new governance mode (Lenschow et al. 2005). This may seem something of a contradiction, but in fact, according to policy convergence scholars, this is a widely acknowledged phenomenon (see Holzinger and Knill 2005).

The result of this complex process is that national governance modes are very often governance mixes in which the only common element is the prevailing role of governments, not only as fundamental actors in the governance modes themselves, but above all as the real decision makers when it comes to which governance model is to be adopted.
CONCLUDING REMARKS

The concept of governance is clearly a fashionable one, just like many other concepts in the social sciences. However, it can be a very useful one if handled in the right way. So, we should avoid using it as a catch-all word, or claiming it to be necessarily positive: new forms of governance may not always be better, more effective or efficient, or even more democratic, than the old ones. Changes in systemic governance modes should be analysed above all as changes in the way public policies are made, which also means how power is distributed in order to ensure political order and to coordinate the behaviour of policy and political actors. In this paper, I have focused on governance shifts in higher education by assuming that there is a net distinction between governance and government, and that the different governance modes — that is, the ways of coordinating policy-making — can be fruitfully classified on the basis of governmental decisions regarding the goals to be pursued and the means that the universities can adopt in order to do so. I have tried to prove this theoretical assumption by means of a comparative analysis of governance shifts in four different nations’ higher education systems. The outcome of this analysis is clear: in all four cases, systemic governance has changed as a consequence of direct decisions taken by governments that have decided to change their own role in the systemic policy-steering process. All of these changes mark a clear shift towards a more constraining governmental position regarding those policy goals to be achieved. What emerges here is that governments play a more significant role when they are the ones setting the targets. From this point of view, it is paradoxical to observe how the procedural mode of governance (which could be conceived as one of the traditional ways by which governments command and control) appears to be a weak steering strategy.

It thus seems that the proposed typology may constitute a good framework with to design further research into governance shifts not only in higher education, but probably also in other policy fields. It may prove useful in giving shape to a complex, very often over-theorized debate, and thus to focus empirical research on more important features of the governance issue.

For example, what emerges from this empirical analysis, at least as far as higher education is concerned, is that in the case of actual governance shifts, the resulting modes do not belong to any pure type, but are a mix of various features taken from different models of governance. The hybridization of the governance mode seems to be the prevailing feature of governance shifts in higher education, and this probably holds true in other policy fields as well. What our analysis shows is that national trajectories in governance shifts are characterized by different timing, and are influenced to varying degrees by past legacy (cultural and institutional). So the governance debate should be redirected towards those conditions under which governments change the ways in which they steer policies, and in particular towards the combination of factors that influence their policy decisions.

What clearly emerges from the field of higher education is that even if governments continue to govern, and continue to follow the same path when establishing systemic governance modes, the said modes are designed on the basis of different governance mixes; and this could make the real difference not only to the actual workings of governance, but also to policy effectiveness. Thus those involved in the governance debate really ought to accept that governments are still governing, and concentrate on exactly ‘how’ they are doing so.
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